EXHIBIT 3

UNITED STATES DISTRICT COURT

FOR THE WESTERN DISTRICT OF WISCONSIN

ROCKWELL AUTOMATION, INC.,
ROCKWELL AUTOMATION TECHNOLOGIES, INC.,

Plaintiffs,

-vs-

Case No. 10-CV-718-WMC

WAGO CORPORATION, and WAGO Madison, Wisconsin KONTAKTTECHNIK GMBH & CO., KG., May 4, 2012 10:00 a.m.

Defendants.

STENOGRAPHIC TRANSCRIPT OF TELEPHONIC HEARING HELD BEFORE MAGISTRATE JUDGE STEPHEN L. CROCKER,

APPEARANCES:

For the Plaintiff: Chadbourne & Parke

BY: ATTORNEYS SCOTT BALBER, PAUL TANCK and LISA SCHAPIRA

30 Rockefeller Plaza

New York, New York 10112

For the Defendant: Whitham Curtis Christofferson & Cook

BY: ATTORNEY ROBERT COOK

11491 Sunset Hills Rd., Ste. 340

Reston, Virginia 20190

Michael Best & Friedrich BY: ATTORNEY JOHN SCHELLER

1 South Pinckney Street, Ste. 700

Madison, Wisconsin 53703

Lynette Swenson RMR, CRR, CBC
Federal Court Reporter
U.S. District Court 120 N. Henry St., Rm. 520
Madison, WI 53703 (608) 255-3821

THE COURT: Good morning. This is Magistrate Judge Crocker. I understand I have the attorneys for the parties in the Rockwell Automation lawsuit against WCP and WKT. Again, we have a court reporter. Let me note the case number is 10-CV-718-WMC.

And let's get appearances for the record, please. First on behalf of the plaintiff.

MR. BALBER: Good morning, Your Honor. This is Scott Balber from Chadbourne & Parke. And with me are my colleagues Paul Tanck and Lisa Schapira.

THE COURT: All right. Good morning to all of you. And who have we got on behalf of the defendants today?

MR. COOK: Bob Cook and John Scheller.

THE COURT: Good morning to both of you.

Counsel, let's start by me telling you what's not on the table today. We are not going to discuss the Motion to Compel that the defendants filed yesterday, which the Court docketed as 78. If the clerk hasn't already set up the usual seven-day response, that will be done and then we'll probably put you on for a hearing on the Wednesday that follows. That's probably May 16.

The only thing I would observe, and it's just a general observation, is that to the extent that the Court might need to see a timeline here, just as we did

with the plaintiffs' motion, that might be helpful, but let's wait and see how that one shakes out. Okay?

So let's turn our attention to what's on the agenda today. The underlying motion was plaintiffs' Motion to Compel docketed as 40. As you know, we had a hearing on April 20. We talked for almost an hour. At the end of the hearing, I gave some instruction about what else needed to happen. Everybody seems to like the adjective percolating because you keep repeating it back to me. So you talked about the percolating discovery disputes and disagreements. A lot more documents exchanged hands. I got the reports. Docketed by us as 73 is the defendants' timeline, followed by docket 74, the update, followed by the, I presume, tongue-in-cheek supplement docketed 77, indicating that two more pieces of paper from 1998 were produced from some employee's file who is quitting.

We've also got 76, which is the plaintiffs' report, and of course we have attachments to both updates. As is my practice, I'm going to give you my preliminary view of where I think we find ourselves and flag for you the questions that I'd like to see each side address as they see fit. Preliminarily I get the sense that most of the concerns either have been addressed or are not ready for the Court to rule on right now. Apparently

thousands of documents changed hands. Defendants spin on it is that the plaintiffs weren't ready to talk about them. It may be that plaintiffs are of the view that they don't have anything to complain about yet, but certainly they might complain later. That's fine. If there's nothing for the Court to decide in that regard, we're not going there. I'll take my cue from the plaintiffs' report that there are only two issues left.

The one issue that plaintiff flagged was that according to plaintiff, WCP and WKT have identified databases that include responsive financial and product information that has not been provided and defendant won't produce it without a court order. I don't know what that means. I'll need the defendants to explain that to me. If it's just a matter of the Court putting an order in so that you've got a Court requirement that you do it, fine. If it's something more substantive, I'd like to hear about that. But right now, I don't have enough information to say which way I'm headed on that.

With regard to the dispute over whether defendants stripped the functionality out of the nonsource code documents that accompanied the CoDeSys source code, if I'm pronouncing that correctly, from what I've read I don't think this is very important. It's certainly not

something that irritates or flags any problems for the Court. I would like a little bit more objective characterization of the number of documents at issue.

The defendant characterizes them as a small portion or a few documents. Defendant also reports that this is the way they got the documents from the actual provider, the third party, who is guarding them jealously and that the PDF format in which they've been provided that with complies with 34(b)(2)(E)(2) and (3). That certainly resonates with the Court. I'm not sure what else the plaintiff is asking me to do. I haven't heard any information that indicates that the defendants' characterization of why it did this and how it did it is wrong, but I'm prepared to be educated otherwise.

That said, why don't we start with the plaintiff.

It's your motion. I'd certainly like to hear about the PDF documents, and to the extent that you want to be heard also on the first issue raised, I'll hear anything you've got for me today. So who's got the point today?

MR. BALBER: This is Scott Balber, Your Honor.

Thank you for hearing us this morning, and I think you have this pretty much dead on. Let me kind of recharacterize, if I may. You are correct that a universe of documents has been produced by defendants since last we spoke. We are in the process of reviewing

that. As of this moment, you're right, we have no complaints. We reserve our right to complain if anything comes to light that we need to complain about.

My understanding from the defendants is that in the aftermath of our call with Your Honor, they have now agreed to produce and have in fact produced or are in the process of producing all documents responsive to our requests, and the issues that we were debating before Your Honor about the specific requests and what was captured have now been mooted by their agreement to produce. So assuming I'm right about that, I think that whole bucket of issues is resolved.

You have identified what I think are the two issues that remain. One is these financial and product databases. Candidly we don't understand what the issue is and why they're not being produced. If it simply is a matter of them needing an order from Your Honor, as you indicated that can be resolved. I'm curious to hear what the explanation is beyond that.

As to the searchable format, I think there are two categories. The first is a source code, and I agree, Your Honor, to the extent they receive the source code from a third party, we don't have any expectation that the defendant is going to be required to put that in searchable format. I think we're okay.

What we do have an issue with is their own emails. It is common practice and often the rule in -- lots of local rules in different jurisdictions that emails be produced in a searchable format. It's something which can be done by a vendor and in my experience it's typically done by a vendor being paid by or retained by the producing party.

THE COURT: Let me interrupt for a clarification question.

MR. BALBER: Sure.

THE COURT: When you say the emails, is this just a small subset of the emails related to this particular CoDeSys source code or is it something broader?

MR. BALBER: No, Your Honor, it's broader.

It's all emails. Again, in my experience emails are produced in a searchable format, either by rule of court or by agreement of parties. I'm not understanding why there's an issue with it being produced in that way in this case.

THE COURT: And another point of information, please. Give me an order of magnitude on the number of documents that were produced in this fashion that you want put in searchable format.

MR. BALBER: We quite frankly don't know the

number, Your Honor.

THE COURT: Well, I'm just looking for a ballpark estimate. Are we talking a 1,000? 10,000?

MR. BALBER: Yeah. I mean the problem, Your Honor, is because they are produced as PDF, I can't give you a number. I would certainly suspect it's in the thousands. Whether it's 3,000 or 10,000, I don't know and I don't want to -- I certainly don't want to give you false information. But my team is kind of struggling to come up with a number.

THE COURT: Well, I'm just looking for an estimate. If you say around 3 to 10,000, that's sufficient and I'm not going to hold you to a specific number. All right, please continue.

MR. BALBER: Yeah. I'm told even my 3 to 10,000 might be overstated, Judge. I just don't know, so I apologize about that. And I think that's it. That really is more perspective of the last issue: The two issues being these proprietary databases being searched and the second one is the searchability of emails.

THE COURT: All right.

MR. BALBER: I think that's what's left.

THE COURT: Well, thank you. Mr. Cook,

Mr. Scheller, who'd like to give me your input?

MR. COOK: This is Bob Cook. Let me start with the databases. These -- first I would -- let's remember that the reason these come up is there are document requests for all documents used to create responses to interrogatories. And the term document is defined in the document request such that it brings in all electronic data compilations. The databases at issue here are the company's fundamental financial database that they use, their accounting database and their product database that they use for managing their company that has all product information. Most of their products have nothing to do with this case and aren't even in the industrial control area, and that's -- but they had to use the databases to put together responses to interrogatories.

THE COURT: Well, let me interrupt to make sure I understand what you're telling me. Would it be correct to surmise from what you just said that the relevant information from these databases already has been disclosed. What you haven't provided is the foundational database so that somebody could, if they chose to, cross reference the accuracy of your production.

MR. CROSS: Well, I guess that's one way to characterize it, but I think that that may even

overstate it. Because they ask for numbers and we gave them numbers and we have the numbers in the database. They asked then for the documents that the numbers came from and that would be, you know, the company's financial database that they're very sensitive about.

THE COURT: Well, let me hone in a little bit more tightly with my question then. Apart from the decision or not to or the reluctance to provide the databases whence the information was taken, is it your position that the substantive information responsive to the discovery requests all has been provided?

MR. COOK: Yes.

THE COURT: Okay. Thank you. Please continue.

MR. COOK: Sure. So that's really, on the database, that's it. On the text searchability, I would have to check. I do not believe that it's correct to state that all emails were provided in nonsearchable format. I'm aware of a handful of emails that were provided from Germany where the lawyer from Germany printed them out and PDF'd them. Other than that, we would have to check. But I don't think that it's correct that as a regular thing we provided nonsearchable documents. I think it's more a question of that just providing a searchable PDF may not be enough for what the plaintiffs want to do with their

vendor with the documents.

THE COURT: Well, let me ask you this, and I don't want you to speculate and perhaps you're not in a position to answer this question, but to the extent that there may be a larger group here, would there be any reason not to have provided emails in a searchable format just as a matter of routine? In other words, to the extent that there might be emails that are not searchable, is it defendants' position that that's how you got them? That there was no change and that it's a very small number?

MR. COOK: Well, I think so. And the reason I say that is because I asked when this issue first came up and it would have been more trouble to process them in a nonsearchable format than to just process them, review them, and then download the ones that were responsive.

THE COURT: Understood. And I interrupted you. Was there more you wanted to tell me?

MR. COOK: No. I would be surprised if there were thousands or even in the high hundreds of emails involved. I think it's a much smaller number.

THE COURT: Okay. Thank you. I'll entertain a brief reply and I'm particularly interested in any reply regarding the need to look at databases from which the

relevant information already has been provided.

MR. BALBER: Let me address that, Judge, if I may. What I don't want is a copy of the database. What I want is to have the databases searched, just like all other documents are being -- universe of documents are being searched for responsive documents. If it is the case that defendants relied on data or documents from the database in crafting their interrogatory responses, I believe I'm entitled to see the documents and the data from the database. I don't think I'm required to rely on defendant telling me that the numbers they are giving me in the interrogatory are accurate and are reflected in the company records.

So I guess I would frame the question a little differently which is why are these databases different than a file cabinet or an email log or something on somebody's desk? It's just another universe of documents of data that needs to be searched for responsive material. That's it.

THE COURT: Well, now you had me up until that last observation, so let me ask a clarifying question, please.

MR. BALBER: Then I'll withdraw it, Judge.

THE COURT: Then you lose. So let me ask the question because then maybe you'll win. I would agree

with you to the extent that you don't have to rely on a letter or an affidavit that simply says the number responsive to what you're asking is "X," and if we include additional information the number is "Y."

You're entitled to look at the actual documents from which "X" and "Y" were derived. I thought from what I read and from what the parties had told me previously this morning that you really were looking for something beyond that; that you just wanted to be able to look in the actual database to make sure that you got it.

And to the extent you're analogizing that to getting to look in the whole file cabinet, no, you can't do that. But to the extent that you haven't actually seen the piece of data or the document from which they derived the answer they gave you, I would tend to agree with you.

Now here's -- so let's make sure we're not talking past each other. But then the actual question is is your team in a position to point to specific answers for which you want this documentation or are you simply saying we want to look at the databases and determine this for ourselves?

MR. BALBER: No, Judge. You have it right.

And let me kind of rearticulate it if I can. I am not asking to look in their file cabinet. I am asking them

to look in their own file cabinet and produce to me the documents that they relied upon in crafting their interrogatory responses, one, or any other documents in the file cabinet, which I'm using as a code word for database, which is responsive to other requests. That's it.

So they have acknowledged that they have used information from the database in crafting their interrogatory responses --

THE COURT: Let me stop you -- let me stop.

Mr. Cook, do you understand now what they're looking

for? Is this objectionable? Is this something

different from what you thought they were asking or is

this something you don't like?

MR. COOK: This is, I think, where they're mischaracterizing or maybe misunderstood I think is a better term what I said about the interrogatories.

There's no intermediate document, intermediary document between the database and the response. To provide these responses to their interrogatories, somebody queried the database and got this printout and that's what we provided.

THE COURT: Okay. I understand what you're saying. So let's go back to the plaintiffs. What more are you entitled to under Rule 26? Do you want to be

able to verify for yourself? Are you looking for the actual search performed? Or in light of what Mr. Cook just proffered, does that solve your problem?

MR. BALBER: It doesn't, Judge. I'm operating at a little bit of a disadvantage, and I don't think I misunderstand. So let me frame it again, and I apologize for repeating myself, but I'm really not understanding the issue. There is a universe of information on a database, okay? My view is that defendants must search that database for responsive documents to all of our requests and the fact that now I know for certain that one request as to which responsive documents may be derived from that database is the request "please produce all documents which you relied on in crafting your interrogatory responses." But there may be other requests. So that's it.

I don't want their database. I want the data, the information, the documents that are contained in those databases, and by the way, their own product databases and financial databases that are responsive to our requests generally.

THE COURT: Well, but see, this is where we've circled right back to where we were on April 20, because you want documents that Mr. Cook has just proffered don't exist. What he's saying is there is no set of

documents. Now I can't pick between these two contentions over the phone. The only thing I can require, and this puts the burden back on the plaintiff, is that you point to the specific discovery request you made where you think there are underlying documents that you did not get.

Now I haven't gone back and looked at all the discovery requests. There was no reason for that. I don't think this is one of those cases where there's an out of control number. But absent some specificity as to what you think you don't have, there's nothing for me to order Mr. Cook to do.

I would agree with you, and I agreed with you the first time you said it, that if there were a set of documents that were responsive to or the basis or foundation for the information you were requesting in your discovery request, you would be able to see it.

But what Mr. Cook is saying is there aren't any; that it was a query made to a database and the answer popped up. If you don't think that answer is entirely correct or accurate, then you've got to be more specific to point out to Mr. Cook and his colleagues why that can't be true.

MR. BALBER: It's not my practice to make -- to ask a question to opposing counsel with a judge on the

line. It's certainly not my practice to ask a question to the judge.

THE COURT: I'll let you cross talk today.

MR. BALBER: I'm going to ask the question, and this may be put it to bed one way or the other. My question is this: Were those databases searched for documents responsive to our requests or not. If they were searched, just like email archives were searched, and the answer is "there are no responsive documents," then we have nothing to say. But I haven't heard the answer that those databases were searched in the same way as a file cabinet or an email archive or anything else. So that's kind of my pointed question, Judge.

THE COURT: Okay. Well, I understand it. Mr. Cook, are you in a position to answer that?

MR. COOK: I think we have a definitional problem. I make a distinction between a database and a file server. File servers have documents and can be searched and were searched. Databases are different. They don't contain documents. They contain data, and structured data, and you search them to answer questions. That's what we're talking about here. And the way that the definition of document appears in these document requests, any compilation of data would be a document and it would include the financial database --

say the fundamental accounting database of a company would be a document, and that's what we don't think we should be required to produce, and I don't think that kind of thing is ever required to be produced.

THE COURT: Well, and let's be sure at least the Court understands what you're saying and I'm sure that the plaintiffs understand it too, but to the extent that you searched the databases, you searched for the responsive information. But of course using your distinction between a file server and a database, the search requests provided the answer and there's no intermediary set of information that could be characterized as a document.

MR. COOK: Correct. That's what we're saying.
THE COURT: Okay.

MR. BALBER: If I can draw an analogy, Your Honor, to a circumstance I'm more familiar with and I suspect the Court might be as well to maybe put this to bed one way or the other. A company has a general ledger as a database; information regarding the company's finances. The fact that it is a database doesn't mean that I can't search for entries reflecting payment to Company XYZ, and that would result in a report which the defendants would be required to produce. So if that's what we're talking about, I do

believe it is the case that searches can be run on a database, such as a general ledger, and documents generated which reflect the data that is responsive and contained therein.

MR. COOK: And where that was done, where interrogatories require that to be done it was done.

THE COURT: And that's certainly the way I understand the defendants' response. So bottom line is the Court is not going to order further production on that one. That request is denied.

So let's turn our attention to the PDF emails.

Again, I hate to make this the death of a thousand cuts, but again, I'm not seeing anything for the Court to order here. It sounds like the people I'm talking to cannot provide me with concrete objective information about what's the actual problem here, you know. And again, I don't want to delve into minutia for no good reason, but if we're talking about 300 documents from Germany that weren't in the database and were just PDF'd and sent over in hard copy form, well, from the Court's perspective that's not a big problem.

If we're talking about 3,000 documents that were taken off of some electronic storage medium rather than provided in electronic form, well, then maybe we do have a problem. But I get the sense that it's the former,

not the latter, and I would never underestimate the cost of a hand search. But if all we've got here is a couple hundred documents that were produced in PDF form because that's the way they were kept, there's nothing for me to order. And certainly based upon the information I've got, I have no reason to believe otherwise today.

Now I will agree with the plaintiff that to the extent that there might have been a database that was searchable and the documents were taken out of that, that would not be appropriate and the Court would not countenance that. But there's no proof here that that's what actually happened, and I haven't heard anything today to convince me that that is what has happened. I've just got this sense that there's a suspicion that something nefarious must have happened because emails just aren't produced in PDF anymore. That's so old school that it must be something sinister.

I don't mean to mischaracterize this. I don't think that plaintiff is claiming that this was a malicious or intentional way to hide data, although you come pretty close to implying it, but I'm not seeing anything for me to order. That said, I'll give the plaintiff one more chance to persuade me that there's something I need to do today based on what you've told me. But absent that, you've got to go back and sort

this one out between the attorneys again, maybe putting a low-level associate on each side in a room with the box full of documents to do it one at a time.

MR. BALBER: Yes, Your Honor. Just to be clear, I did not mean to suggest one bit that there was any maliciousness at all. That was not my intention. I don't believe that's the case. The problem is that we received 188,000 pages of documents, and because they're not searchable, to go through and count them and tell you how many there are would obviously be a difficult exercise. So what I would suggest is I've heard your ruling and I think that's reasonable, Judge. If it turns out the number ends up being materially higher than what we all think at the moment, I'd like the right to come back to you and let you know. But otherwise, I appreciate your time this morning.

THE COURT: Sure. And that is the Court's ruling, but let's add another qualifier there. It's not just the number of documents, but it's whether or not there really was some searchable database in electronic form from which they were taken. I'm hearing from the defendant that that's not at all what happened. But if that were the case and you could prove to me that that's the case, well then of course you're entitled to relief.

But I haven't gotten any evidence that that's actually what occurred here. So you're free to go back and look into that further and come back to court if that's what happened.

MR. BALBER: Thank you, Your Honor. We appreciate that.

THE COURT: All right. I think that covers it. So essentially what we've got is I will now deny what remains of the motion docketed by the Court as 40 as mostly academic, mostly mooted by what's happened between the filing of the motion and today, and then denying the residual disputes for reasons stated on the record today. And I'm not going to shift costs today.

One last observation on that point and then I'll check in with each side before I let you go. We try not to keep score here, but sometimes it's kind of like a football game where the guy who throws the second punch gets the flag. If we come back and it turns out that somebody didn't do what they were supposed to on this new Motion to Compel docketed as 78, then that might be a cost-shifting motion and it might also be a 37(b) motion. I don't think we'll get there from here, but we've already had one fairly lengthy set of discovery discussions and disputes and rulings. If we can narrow that down or eliminate it before you have to get on the

phone with me, that would be great. But I'm here to throw the flag if I need to, okay?

That's all I've got for you. Anything else on behalf of plaintiff?

MR. BALBER: No, Your Honor. Thank you for your time and have a nice weekend.

THE COURT: Thank you. You also. Anything else on behalf of the defendants today?

MR. COOK: No, Your Honor. Thank you for your time.

THE COURT: You're also welcome, and you guys have good weekends too. With that we're done. Thank you all.

(Proceedings concluded at 10:34 a.m.)

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I, LYNETTE SWENSON, Certified Realtime and Merit Reporter in and for the State of Wisconsin, certify that the foregoing is a true and accurate record of the proceedings held on the 4th day of May 2012 before the Honorable Stephen L. Crocker, Magistrate Judge for the Western District of Wisconsin, in my presence and reduced to writing in accordance with my stenographic notes made at said time and place. Dated this 12th day of July 2012.

/s/____

Lynette Swenson, RMR, CRR, CBC Federal Court Reporter

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